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RUEHWL/AMEMBASSY WELLINGTON PRIORITY 1263

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RUEHDN/AMCONSUL SYDNEY PRIORITY 0688

RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY

RHHJJAA/JICPAC HONOLULU HI PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 SUVA 000591

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E.O. 12958: DECL: 12/29/2016

TAGS: PREL MARR PHUM ASEC CASC FJ

SUBJECT: FIJI UPDATE 12/29: ELECTION INQUIRIES; GOVERNMENT PLANS; INTIMIDATION; ECONOMIC COMPLEXITIES; AN UNCERTAIN 2007 APPROACHES

REF: A. SUVA 589 (AND PREVIOUS)

1B. SUVA 544

Classified By: Amb. Dinger. Sec. 1.4 (B,D).

Summary

11. (C) The Fiji military (RFMF) plans to unveil on Jan. 1 "proof" of irregularities in last May's general elections, based in part on evidence from an Australian conman. RFMF Commander Bainimarama says an interim government may be in place by the end of January. The RFMF has continued to abuse human rights activists; but some, including in the legal community, still are speaking out. Lawsuits against the military are in the works. Bainimarama is attempting to sideline the Great Council of Chiefs. He is now attempting to "clean up" the sugar and mining industries, not easily accomplished. Tourism and construction sectors are struggling. We comment regarding RFMF double standards regarding "clean ups;" difficulties the military will face as it dabbles in commerce and finance; and continuing uncertainties about the public mood. End summary.

A New Year's revelation re fraudulent elections?

12. (SBU) An Australian conman, Peter Foster, has been in Fiji police custody for several months, pending trial for alleged internet fraud and financial crimes. Last week, RFMF troops suddenly and without court permission removed him from a Suva hotel, where police were detaining him under court order. Military spokesman Leweni had denied any RFMF knowledge of Foster's whereabouts, but yesterday he showed up in Suva under Army escort. Foster says he agreed to cooperate with the "clean up" campaign investigation of Fiji's May elections and has described illegal payments made to several Qarase ministers. The RFMF has now indicated Foster's revelations will figure prominently in a planned New Year's day expose that "reveals all" about how Qarase's SDL Party "fixed" the elections.

Interim government by end of January?

13. (U) In a media statement on 12/27, Bainimarama said the military advisory council has culled the list of applicants for an interim government to 31 names, and an effort is now under way to contact people about actual availability. Bainimarama said that, if all goes smoothly, an interim government may be in place by the end of January. We hear from a U.S. Census contact that three Fiji officials remain scheduled to visit the U.S. next month to continue

preparations for Fiji's 2007 census. Bainimarama has indicated an accurate census followed by a redrawing of electoral constituencies would be pre-requisites for any future election.

RFMF intimidation; Bainimarama threat

14. (U) RFMF intimidation efforts continue. Per reftel, Army troops abused six pro-democracy advocates early on Christmas morning, reportedly including by aiming loaded firearms at people's heads and by inflicting beatings. Early yesterday morning, Fiji's "disco queen" pop singer received similar abusive treatment. Those detained were all released after a few hours. Several have fled Suva; some have hunkered down. Fiji Labor Party (FLP) leader Chaudhry released a letter he has written to Bainimarama urging the Army to allow people "to express their views within reason and without inciting a breach of the peace." The letter also calls on those speaking out to "bear in mind" ugly situations that developed in 2000, suggesting "there are elements out there who would not hesitate to create disorder should there be any slackness on the part of law enforcement authorities." One of the activists abused on Christmas morning was the granddaughter of FLP President Koroi. In a media statement on 12/27, Commodore Bainimarama reiterated RFMF warnings that "if people speak against us, we see it as a threat; and people will be treated accordingly."

Some NGOs and lawyers keep speaking up

15. (C) Still, some local NGOs continue to call publicly for rule of law, and several have expressed strong displeasure with Fiji Human Rights Commission Director Shaista Shameem, who has made a series of public statements indicating people

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should accept that their rights are curtailed during the RFMF's "state of emergency." NGOs are reportedly meeting in Suva today to discuss next moves. The Fiji Law Society and prominent attorneys Richard Naidu and Jon Apted have noted, accurately, that Fiji's Constitution permits constraints on people's human rights only in very limited circumstances and only via a public law passed by Parliament. They stress that the RFMF's very vague and self-proclaimed "emergency decree" does not meet the constitutional tests, so people's rights to speech, assembly, etc., ought to remain sacrosanct.

Bainimarama and GCC: no reconciliation yet

16. (U) In Bainimarama's 12/27 media statement, he announced that the Great Council of Chiefs (GCC) will have to receive RFMF permission for any future meetings, reflecting the Commodore's disappointment that the results of the GCC meeting last week did not conform to RFMF expectations. GCC Chair Bokini has reportedly rejected the Army's ability to impose such a restriction, though it also appears Bokini is not anxious to call another meeting. RFMF spokesman Leweni continues to state that the military has no intention of engaging in dialogue with the Chiefs, contrary to some indications late last week.

Meddling in sugar industry; law suits coming

17. (U) Bainimarama has announced a major shake-up of governing bodies over Fiji's sugar industry, by sacking the heads of both the Sugar Cane Growers Council and the Fiji Sugar Corporation. The FSC boss took the news calmly. The Cane Growers boss, Jaganath Sami, who the day before had been chastised by the RFMF for having engaged in public criticism of military actions, issued a public letter challenging Bainimarama's legal right to interfere. Another Cane Growers official queried who will pay up when Sami challenges his dismissal in court and wins. The Fiji Law Society has told the press it is aware of several law suits being prepared by Qarase's SDL Party and by individuals who have suffered from RFMF intimidation. Qarase confirmed publicly today that he

plans legal action, which awaits his intended return to Suva in a few weeks.

Mining intervention, too

¶8. (U) Bainimarama has named a group of government CEOs to negotiate with Emperor Gold Mining Ltd, owners of Fiji's only producing gold mine concerning EGM's announcement Dec. 5, the day after the coup, that the Vatukuola mine is unprofitable and is being closed down. Bainimarama said the negotiators' mandate is to run the gamut from looking into EGM's motives to discussing safety nets for 1730 miners and their families.

Tourism: striving for cash flow

¶9. (U) Fiji's tourism association is gearing up super specials in an attempt to attract back Australian and New Zealand tourists. With New Zealand having scaled back its travel warning (to approximately the equivalent of the current U.S. warning), some tourist agents in Auckland are reporting a great deal of interest. So long as there is no outburst of street violence, it may be that tourism numbers will start a bounce back from the abysmal levels at present; however, the super specials will likely generate very little profit. A popular cruise operation in Fiji's West reports its special deals are garnering just enough returns to keep cash flowing, nowhere near enough for longer-term sustainability.

Construction in deep slow-down

¶10. (U) The head of one of Fiji's biggest construction companies reports that his industry's prospects are dismal, with a number of major projects postponed indefinitely. Reportedly, real estate prices have also declined dramatically, at least in the short term.

Comment

¶11. (C) The RFMF's New Year's revelations about the 2006 elections will be interesting. Reports have circulated for several months that Peter Foster provided some advice, and perhaps funding, to some SDL party officials in the past. That did not deter prosecutors, in the Qarase era, from

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bringing charges against him. By all accounts, Foster, with a criminal record on three continents, is not a person to be trusted. If the RFMF has cut a deal with him in exchange for revelations, it will be one more bit of evidence that the current "clean up" campaign relies on very situational ethics. Of course, the RFMF's nasty intimidation tactics against human-rights activists buttress that point.

¶12. (C) Bainimarama's interventions into the sugar and mining industries are intriguing. A huge, seven year, F\$350 million (US\$200 million) EU assistance package for Fiji sugar in the works with the Qarase Government is now on hold. The gold mine has reportedly been a marginal enterprise for a while. Direct RFMF involvement in those economic sectors may provide a rapid education in how difficult it can be to impose military demands in a competitive, globalized economic environment. Also, a number of RFMF pronouncements, prominently the cancellation of a VAT increase, suggest there has been little thought given to balancing the Fiji Government checkbook either. Fiji's fiscal situation in 2007 could rapidly deteriorate from an already precarious position (see ref B).

¶13. (C) It is very difficult to gauge what the "public" mood is four weeks after the coup. Certainly a number of people have written letters to the editor and have granted media interviews that support the RFMF's clean-up motives and express the wish that activists should quit complaining and just go along. While it appears the early Christmas morning abuse of activists shocked many, nobody seems prepared, yet,

to challenge the Army in the streets, peacefully or otherwise. That may indicate broad-based, if grudging, acceptance that guns win. Or it could simply be timing. The holiday season is always a quiet, family-based period in Fiji. As the new year brings immense political and economic challenges, the military's governance abilities will be tested, as will the people's patience. The continuance of armed check points and intimidation tactics indicates the RFMF remains nervous.

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